

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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**HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE
REMAINS AT 6.4 PERCENT IN OCTOBER**

National Unemployment Rate remained at 9.6 percent

HONOLULU – The Hawai'i State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for October was 6.4 percent, the same as the revised rate of 6.4 percent in September. Nationally, the seasonally adjusted unemployment rate remained unchanged at 9.6 percent in October. There were 592,100 employed and 40,650 unemployed in October, for a total seasonally adjusted labor force of 632,750. In October, there were 3,350 fewer people who were unemployed compared to the same time last year.

"Hawaii's employment situation continues to show steady improvement, with unemployment rates holding steady and private sector jobs beginning to increase," said Labor Director Pearl Imada Iboshi.

State of Hawai'i Seasonally Adjusted Labor Force Data**			
	<u>Oct 2010</u>	<u>Sep 2010</u>	<u>Oct 2009*</u>
Labor Force	632,750	634,600	635,100
Employment	592,100	594,200	591,050
Unemployment	40,650	40,350	44,000
	-	-	-

* benchmarked data

**totals may not add due to rounding

	OCT 2010	SEP 2010	OCT* 2009
<u>Seasonally Adjusted</u>			
STATE	6.4	6.4	6.9
U. S.	9.6	9.6	10.1
<u>Not Seasonally Adjusted</u>			
STATE	6.4	6.4	6.8
HONOLULU	5.5	5.4	5.8
HAWAI'I COUNTY	9.3	9.5	9.9
KAUA'I	8.5	8.7	8.7
MAUI COUNTY	7.8	8.0	8.7
Maui Island	7.6	7.8	8.5
Moloka'i	13.1	12.8	12.9
Lana'i	6.0	5.5	10.0
U. S.	9.0	9.2	9.5

county & island rates are not seasonally adjusted

* benchmarked data

county/islands data not yet available

The unemployment rate figures for the State of Hawai'i and the U.S. in this news release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics methodology. The not seasonally adjusted rate for the State also remained at 6.4 percent in October the same as the revised rate for September.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs increased by 3,600 or +0.6 percent to 591,700 in October, all of which were in the private sector. The industries posting job increases included Educational and Health Services (+1,500); Construction (+700); Professional and Business (+600); Other Services (+500); and Financial Activities (+400). Leisure and Hospitality remained stable. Trade, Transportation, and Utilities reported job decreases (-200). Government remained relatively unchanged.

Over-the-year, from October 2009, the seasonally adjusted job count grew by 3,800 jobs or +0.6 percent. The industries registering job growth in the private sector included Leisure and Hospitality (+2,500); Educational and Health Services (+1,500); and Trade, Transportation, and Utilities (+1,300).

Seasonally Adjusted Non-Ag. Jobs (Statewide)

SELECTED SERIES:	Oct-10	Sep-10	Oct-09*
MINING, LOGGING AND AND CONSTRUCTION	30,500	29,800	30,100
TRADE, TRANSPORTATION & UTILITIES	111,200	111,400	109,900
Wholesale Trade	17,700	17,200	17,700
Retail Trade	66,900	67,400	65,800
FINANCIAL ACTIVITIES	27,300	26,900	28,000
Real Estate & Rental & Leasing	11,100	11,100	11,600
PROFESSIONAL & BUSINESS SERVICES	68,700	68,100	70,300
Professional, Scientific, Tech Svcs	23,700	23,400	24,100
EDUCATIONAL & HEALTH SERVICES	76,600	75,100	74,800
Educational Services	15,700	14,500	14,300
Health Care & Social Assistance	60,900	60,600	60,500
LEISURE & HOSPITALITY	103,600	103,600	101,100
Arts, Entertainment & Recreation	10,400	10,300	10,500
Accommodation & Food Services	93,200	93,300	90,600
OTHER SERVICES	26,600	26,100	26,800
GOVERNMENT	125,000	125,000	124,700
Federal Government	34,900	34,900	33,700
State Government	71,400	71,500	72,300
Local Government	18,700	18,600	18,700
TOTAL: STATEWIDE	591,700	588,100	587,900

* Benchmarked Data

❖ **Educational & Health Services (+1,500)**

This major industrial group expanded by the largest proportion in October with a 1,500-job growth after experiencing two consecutive months of losses. Four out of every five jobs in this industry occurred in Educational Services. The majority of the job increase, approximately 1,200, was in other schools and instruction such as exam preparation and tutoring; and fine arts schools; as well as in elementary and secondary schools. Health Care and Social Assistance comprised the remaining 300 jobs shared between ambulatory health care services; and nursing and residential care facilities.

❖ **Construction (+700)**

Construction added 700 jobs growing for the second month in a row. Most of the job gain occurred in Special Trade Contractors primarily in building finishing contractors which included flooring contractors; drywall and insulation contractors; as well as foundation, structure, and building exterior contractors such as roofing contractors. Over-the-year, from October 2009, this major industry grew by 400 jobs or 1.3 percent with the assistance from existing building activities.

❖ **Professional and Business Services (+600)**

This industrial series reported a 600-job gain rising for the second straight month. Professional, Scientific, and Technical Services added 300 jobs most of which occurred in marketing research and public opinion polling. Administrative and Support and Waste Management and Remediation Services also recorded a 300-job increase in employment services; and services to buildings such as janitorial services.

❖ **Other Services (+500)**

Other Services recorded a moderate 500-job gain after experiencing job losses a month ago. The industrial series added jobs in grantmaking and giving services; personal care services; and labor unions and similar labor organizations.

❖ **Financial Activities (+400)**

Financial Activities grew by 400 jobs after reporting a drop in September. Finance & Insurance composed the entire job growth. There were job gains in activities related to credit intermediation; agencies, brokerages, and other insurance related activities; as well as in depository credit intermediation. Real Estate and Rental and Leasing remained essentially steady. There was a slight loss in automotive equipment rental and leasing.

❖ **Leisure & Hospitality (No change)**

Leisure & Hospitality held steady in October after posting job gains for three consecutive months. Arts, Entertainment, and Recreation edged up by 100 jobs in performing arts companies. Accommodation and Food Services edged down by 100 jobs in Food Services in limited-service restaurants.

❖ **Trade, Transportation, & Utilities (-200)**

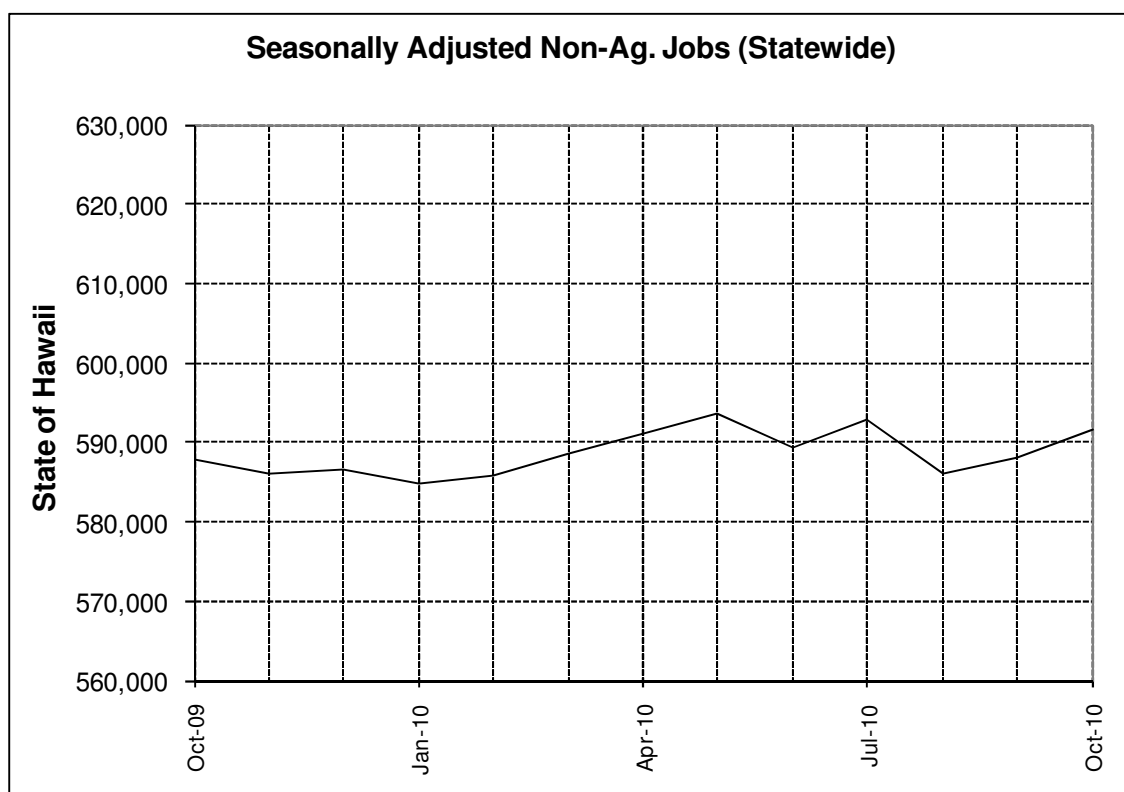
This major group decreased by a slight 200 jobs contracting for the third straight month.

Wholesale grew by 500 jobs in several segments including grocery and related product merchant wholesalers; paper and paper product wholesalers; and lumber and other construction materials merchant wholesalers. The increase in Wholesale jobs was offset by a 500-job loss in Retail Trade. Jobs were curtailed in various entities including clothing and clothing accessories stores such as jewelry, luggage, and leather goods stores; sporting goods stores; building material and supplies dealers; and general merchandise stores.

Transportation and Warehousing remained steady. The uptrend in scenic and sightseeing transportation, was offset by the downtrend in taxi and limousine services; and scheduled air transportation.

❖ **Government (No change)**

Government remained relatively stable in October. Federal Government was unchanged even while it continued to lay off its remaining 2010 temporary decennial census employees. Local Government added a modest 100 jobs. State Government registered a minimal 100-job loss as it continued to release its summer student hires under the summer youth employment program.



Technical Notes

Seasonal Adjustment

The seasonal fluctuations in the number of employed and unemployed persons reflect hiring (and layoffs) patterns that accompany regular events such as the winter holiday season and the summer vacation season. These variations make it difficult to tell whether month-to-month changes in employment and unemployment are due to normal seasonal patterns or to changing economic conditions. To deal with such problems, a statistical technique called seasonal adjustment is used. This technique uses the past history of the series to identify the seasonal movements and to calculate the size and direction of these movements. A seasonal adjustment factor is then developed and applied to the estimates to eliminate the effects of regular seasonal fluctuations on the data. When a statistical series has been seasonally adjusted, data for any month can be more meaningfully compared with data from any other month or with an annual average.

Current Population (Household) Survey (CPS)

The labor force statistics are derived from a survey based on the week including the 12th of each month of Hawai'i residents with a sample size of about 1,000 households. A series of questions are asked to assess whether a person is currently part of the labor force, and if so, what is their current employment status. Employed persons consist of: 1) all persons who did any work for pay or profit during the survey reference week, 2) all persons who did at least 15 hours of unpaid work in a family-owned enterprise operated by someone in their household, and 3) all persons who were temporarily absent from their regular jobs, whether they were paid or not. Persons are classified as unemployed if they do not have a job, have actively looked for work in the prior four weeks, and are currently available for work. Workers expecting to be recalled from layoff are counted as unemployed, whether or not they have engaged in a specific job seeking activity. Persons not in the labor force are those who are not classified as employed or unemployed during the survey reference week.

Changes to Local Area Unemployment Statistics Data

The 2009 labor force estimates have been revised to incorporate updated inputs, updated population controls, re-estimation of models, and adjustment to new division and national control totals. The updated population controls reflect the annual updating of population estimates by the U.S. Census Bureau.

In addition, the Local Area Unemployment Statistics program has introduced a long-run trend smoothing procedure to its seasonally adjusted data series back to January 1976. The smoothing procedure reduces month-to-month volatility in the estimates and addresses long-standing disconnection issues related to end-of-year revisions that will enhance the analytical capability of the estimates. For more information about this topic, please see the questions and answers on the Bureau of Labor Statistics website at www.bls.gov/lau/lassaqa.htm.

Alternative Measures of Labor Underutilization

Alternative Measures of Labor Underutilization for States, Fourth Quarter of 2009 through Third Quarter of 2010 Averages.

Alternative measures of labor underutilization by state, fourth quarter of 2009 through third quarter of 2010 averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	5.7	6.1	9.7	10.3	11.1	16.8
Hawaii	3.8	3.8	7.0	7.8	8.9	16.7

The six alternative labor underutilization state measures based on the Current Population Survey (CPS) and compiled on a 4-quarter moving average basis defined:

U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force;
U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force;
U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);
U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers;
U-5, total unemployed, plus discouraged workers, plus all other marginally attached workers*, as a percent of the civilian labor force plus all marginally attached workers; and
U-6, total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

* Individuals who want, and are available for work, and who have looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months), but were not counted as unemployed because they had not searched for work in the four weeks preceding the survey, for such reasons as child care or transportation problems, for example. Discouraged workers are a subset of the marginally attached.

Note that, the state unemployment rates (U-3) that are shown are derived directly from the CPS. As a result, these U-3 measures may differ from the official state unemployment rates for the latest 4-quarter period. The latter are estimates developed from statistical models that incorporate CPS estimates, as well as input data from other sources, such as state unemployment claims data.

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